



TELECOMMUNICATIONS MARKET SNAPSHOT: MEXICO

Key Statistics

Population	112,468,855 (July 2010 est.)
GDP	\$1.56 trillion (2010 est.)
Per capita GDP	\$13,800 (2010 est.)
Main lines	19.425 million (2009)
Teledensity	19% (2009)
Mobile subscribers	75,305,304 (2008)
Mobile penetration	71% (2008)
Internet users	31.02 million (2009)
Internet penetration	22% (2009)
Broadband subscribers	7.596,545 (2008)
Spending on telecom equipment and services	\$28,105 million (2010)
U.S. equipment exports to market	\$2,479,639,031 (2010)

Sources: CIA World Factbook, USITC, BMI, and Worldwide Black Book

Market Overview

The mobile market in Mexico has been steadily growing in the past few years as operators seek to reach subscribers in rural areas of the country where fixed line infrastructure is limited. Major mobile operators include Telcel (owned by América Móvil) with 72.2% of the market, Telefónica Móviles Mexico (Movistar) with 19%, Iusacell with 4.5%, and Nextel with 3.5%. It is predicted that a new mobile operator will be entering the market as Cofetel intends to auction mobile spectrum. Grupo Televisa, a major cable operator, has expressed an interest in entering this market. Iusacell was the first to offer 3G services over a CDMA2000 1x network in 2004, but recently it announced that it would be launching a GSM network. In 2008, Telcel, which will be upgrading to HSPA network, also launched 3G services. Due to legal conflicts, Movistar's 3G network is limited to certain cities.

In the broadband market, both fixed-line and mobile subscriptions have grown, with greater opportunity seen in the latter. More than 70% of the broadband market consists of DSL connections. Telmex is a major player in this market as it accounted for about 89.3% of all DSL connections by the end of 2009. The government seeks to maintain a high level of competition in the internet market as well as the telecom market in general in order to increase the quality and lower the prices of telecom services, which negatively affects Mexican businesses.

Telecom Trade Agreements

WTO

Mexico has made commitments covering both basic and value-added telecom services in the World Trade Organization (WTO). For a list of the country's commitments, go to

http://www.wto.org/english/tratop_e/serv_e/telecom_e/telecom_commit_exempt_list_e.htm. Mexico is not a signatory to the WTO Information Technology Agreement, which completely eliminates duties on a variety of information communications technology products by January 2000.

NAFTA

Mexico is a signatory to the North American Free Trade Agreement (NAFTA). Chapter 13 deals with telecom services. For more information on NAFTA or to view the text of the agreement, see the United States Trade Representative (USTR) on-line at http://www.ustr.gov/Trade_Agreements/Regional/NAFTA/Section_Index.html, or the Department of Commerce's Trade Compliance Center (TCC) on-line at <http://www.tcc.mac.doc.gov>.

Leading Service Providers

Alestra

<http://www.alestra.com.mx>

Avantel

<http://www.avantel.com.mx>

Axtel

<http://www.axtel.com.mx>

Iusacell

<http://www.iusacell.com.mx>

Maxcom

<http://www.maxcom.com.mx>

Telcel

<http://www.telcel.com>

Telefónica Móviles Mexico

<http://www.telefonicomoviles.com.mx>

Telmex

<http://www.telmex.com.mx>

Unefon

<http://www.unefon.com.mx>

Contacts

Regulatory

Comisión Federal de Telecomunicaciones (COFETEL)

<http://www.cofetel.gob.mx>

Secretaría de Comunicaciones y Transportes (SCT)

<http://www.sct.gob.mx>

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